

CITY OF SHREVEPORT - SporTran

DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL METHODOLOGY
FISCAL YEARS 2022-2024

Summary

In keeping with the requirements of 49 C.F.R. Part 26 (Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation (DOT) Programs), an overall Disadvantaged Business Enterprise (DBE) goal has been developed for DBE participation in DOT-assisted contracting by the City of Shreveport’s transit agency for Fiscal Year 2022 through Fiscal Year 2024. The City of Shreveport receives funding from the Federal Transit Administration (FTA) of U.S. Department of Transportation. **The City of Shreveport’s overall DBE goal for 2022-2024 is 11.66% of the federal financial assistance we will expend in FTA-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles.**

This goal identifies the relative availability of DBEs based on evidence of ready, willing, and able DBEs in relationship to all comparable businesses which are known to be available to compete for FTA-assisted contracts. The overall DBE goal reflects staff’s determination of the level of DBE participation which would be expected absent the effects of discrimination.

Overall DBE Goal Methodology

FTA-assisted contracting for Fiscal Years 2022 - 2024 is expected to consist of the projects indicated in Table 1 below, exclusive of contracts for purchase of transit vehicles, which are not subject to this goal-setting process [1].

Table 1: Anticipated FTA-assisted contracts for FY 2022-2024 (excluding transit vehicle purchases)

| Project Description | NAICS Code(s) | Amount | % of Total |
|---|-----------------|-------------|------------|
| Preventive Maintenance – Bus Parts and Service (FY22-24 Section 5307 Allocations) | 441310 & 811111 | \$1,500,000 | 25.28% |
| Preventive Maintenance – Industrial Supplies (FY22-24 Section 5307 Allocations) | 423840 | \$150,000 | 2.53% |
| Preventive Maintenance – Exterminating services for fleet and facilities (FY22-24 Section 5307 Allocations) | 561710 | \$18,000 | 0.30% |
| Preventive Maintenance – facilities plumbing (FY22-24 Section 5307 Allocations) | 238220 | \$15,000 | 0.25% |
| Preventive Maintenance – facilities electrical (FY22-24 Section 5307 Allocations) | 238210 | \$15,000 | 0.25% |
| Preventive Maintenance – facilities HVAC (FY22-24 Section 5307 Allocations) | 238220 | \$15,000 | 0.25% |
| Former Sun Furniture Renovation - Phase 1 | 236220 | \$2,100,000 | 35.40% |
| Former Sun Furniture Design – Phase 2 | 541310 & 541330 | \$150,000 | 2.53% |
| Former Sun Furniture Renovation - Phase 2 | 236220 | \$1,500,000 | 25.28% |
| Bus Shelter Pad Installations | 238910 & 238110 | \$120,000 | 2.02% |
| Roof enclosure/canopy for existing CNG Station | 236220 | \$150,000 | 2.53% |
| Overhead Electric Charger Installation | 236220 & 238210 | \$200,000 | 3.37% |
| Total | | \$5,933,000 | 100% |

A two-step process was used to establish the overall DBE goal, as described below.

Step 1: Compute Base Figure

Per 49 CFR 26.45(c), a base figure was developed to determine the relative availability of DBEs to perform work on the anticipated contracts as presented in Table 2. The steps for calculating the relative availability of DBEs is as follows:

- 1) Using the Louisiana Unified Certification Program Directory to identify the number of certified DBEs willing to perform work in the Caddo and Bossier Parishes for each of the anticipated contracts, based on the NAICS (North American Industry Classification System) code(s) most relevant to each contract.
- 2) Using 2019 County Business Patterns (CBP) data from the U.S. Census Bureau to identify the total number of businesses available in Caddo and Bossier Parishes for work on each contract, based on the same NAICS codes.
- 3) Dividing the number of DBEs by the number of all businesses to determine the relative availability of DBES in the market area.

Table 2: Relative Availability of DBEs for Anticipated Contracts

| Project Description | NAICS Code(s) | # DBEs | # All Firms (including DBE) | Relative Availability of DBEs |
|---|-----------------|--------|-----------------------------|-------------------------------|
| Preventive Maintenance – Bus Parts and Service (FY22-24 Section 5307 Allocations) | 441310 & 811111 | 0 | 111 | 0.00% |
| Preventive Maintenance – Industrial Supplies (FY22-24 Section 5307 Allocations) | 423840 | 2 | 17 | 11.76% |
| Preventive Maintenance – Exterminating services for fleet and facilities (FY22-24 Section 5307 Allocations) | 561710 | 0 | 20 | 0.00% |
| Preventive Maintenance – facilities plumbing (FY22-24 Section 5307 Allocations) | 238220 | 0 | 128 | 0.00% |
| Preventive Maintenance – facilities electrical (FY22-24 Section 5307 Allocations) | 238210 | 1 | 70 | 1.43% |
| Preventive Maintenance – facilities HVAC (FY22-24 Section 5307 Allocations) | 238220 | 0 | 128 | 0.00% |
| Former Sun Furniture Renovation - Phase 1 | 236220 | 8 | 48 | 16.67% |
| Former Sun Furniture Design – Phase 2 | 541310 & 541330 | 3 | 83 | 3.61% |
| Former Sun Furniture Renovation - Phase 2 | 236220 | 8 | 48 | 16.67% |
| Bus Shelter Pad Installations | 238910 & 238110 | 12 | 51 | 23.53% |
| Roof enclosure/canopy for existing CNG Station | 236220 | 8 | 48 | 16.67% |
| Overhead Electric Charger Installation | 236220 & 238210 | 9 | 118 | 7.63% |
| Total | | 51 | 870 | 5.86% |

Based on guidance from FTA and the U.S. DOT Office of Small and Disadvantaged Business Utilization, a weighted base figure was computed that takes into account the relative size of the anticipated contracts. The formula used to compute values in Table 3 is as follows:

$$\text{Weighted Base Figure} = [(\text{Project's \% of total contract dollars}) * (\text{Relative availability of DBEs})] + [(\text{Project's \% of total contract dollars}) * (\text{Relative availability of DBEs})]...$$

Table 3: Weighted Base Figure

| Project Description | NAICS Code(s) | % of Contract Dollars | Relative Availability of DBEs | Weighted Base Figure by Contract |
|---|-----------------|-----------------------|-------------------------------|----------------------------------|
| Preventive Maintenance – Bus Parts and Service (FY22-24 Section 5307 Allocations) | 441310 & 811111 | 25.28% | 0.00% | 0.00% |
| Preventive Maintenance – Industrial Supplies (FY22-24 Section 5307 Allocations) | 423840 | 2.53% | 11.76% | 0.30% |
| Preventive Maintenance – Exterminating services for fleet and facilities (FY22-24 Section 5307 Allocations) | 561710 | 0.30% | 0.00% | 0.00% |
| Preventive Maintenance – facilities plumbing (FY22-24 Section 5307 Allocations) | 238220 | 0.25% | 0.00% | 0.00% |
| Preventive Maintenance – facilities electrical (FY22-24 Section 5307 Allocations) | 238210 | 0.25% | 1.43% | 0.00% |
| Preventive Maintenance – facilities HVAC (FY22-24 Section 5307 Allocations) | 238220 | 0.25% | 0.00% | 0.00% |
| Former Sun Furniture Renovation - Phase 1 | 236220 | 35.40% | 16.67% | 5.90% |
| Former Sun Furniture Design – Phase 2 | 541310 & 541330 | 2.53% | 3.61% | 0.09% |
| Former Sun Furniture Renovation - Phase 2 | 236220 | 25.28% | 16.67% | 4.21% |
| Bus Shelter Pad Installations | 238910 & 238110 | 2.02% | 23.53% | 0.48% |
| Roof enclosure/canopy for existing CNG Station | 236220 | 2.53% | 16.67% | 0.42% |
| Overhead Electric Charger Installation | 236220 & 238210 | 3.37% | 7.63% | 0.26% |
| Total Weighted Base Figure | | | | 11.66% |

The weighted base figure was developed by multiplying the percent of the total contract dollars for each anticipated contract from Table 1 by the relative availability of DBEs data for each contract from Table 2. The resulting weighted base figure by contract data was summed to reflect a total weighted base figure of 3.05%.

Step 2: Adjust Base Figure

Per 49 CFR 26.45(d), following calculation of a base figure, all available evidence must be examined to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall DBE goal. For FY'22-'24, there are more construction projects than in a typical triennial period with

the planned redevelopment of the former Sun Furniture building. This is a deviation from the prior period where equipment and software purchases made up the bulk of capital expenditures. Therefore, prior DBE participation is not a good indicator of participation for the current triennial period. Additionally, although the City of Shreveport previously planned to undertake a disparity study, full funding has not been made available for that. If that study is completed in the future, we will use that data to evaluate the need for adjustments in future period. As such, we have not made an adjustment to the base figure computed in Step 1 for the current triennial period.

Based on this analysis, the City of Shreveport proposes an overall DBE goal of 11.66% for FTA funds that will be expended in FTA-assisted contracts in Fiscal Years 2022-2024, exclusive of funds to be used for the purchase of transit vehicles.

Use of Race-Neutral Methods and DBE Contract Goals

The U.S. DOT regulations require that race-neutral methods be used to the maximum extent feasible to achieve the DBE overall goal. Race-neutral methods include making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses; unbundling large contracts to make them more accessible to small businesses; encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves; and providing technical assistance, communications programs, and other support services to facilitate consideration of DBEs and other small businesses.

In the past, the City of Shreveport has experienced low DBE participation, in large part because of the types of projects implemented and the lack of availability of Louisiana-certified DBEs for specialized work. For 2022-2024, the proposed construction-related projects offer an opportunity for DBE participation. The last largescale construction project was the construction of the intermodal terminal. That contract was awarded in 2014, and despite having a DBE contract goal, we did not achieve any DBE participation. In large projects, our experience is that DBE participation will most likely come from subcontract participation. The large DBE contractors in our area focus on highway construction and not building construction, which leaves a void of DBE contractors that bid as prime contractors on projects. Based on the lack of DBE participation for the intermodal terminal contract in, despite the use of race-conscious methods, it is not clear that the DBE goal can be met through race-neutral means. To position the City of Shreveport to meet the DBE goal of 11.66%, we propose to achieve 10.11% of our goal through race-conscious means and 1.55% through race-neutral means. This breakdown reflects using a project goal for the Sun Furniture renovation projects (phase 1 and phase 2). The project goals for these projects will be determined using detailed construction estimates and work breakdown analysis after design development has been completed.

[1] DBE goals for Transit Vehicle Manufacturers (TVMs) are established through a separate FTA process.